



Dairy Sector Leadership Dialogue

CEO Panel Discusses the Future of Dairy Cooperatives and Private Enterprises

A high-level CEO Session was organised during the Inaugural day of the 52nd Dairy Industry Conference to deliberate on the future of dairy cooperatives and private enterprises in India and their role in achieving the country's ambitious milk production targets. The session brought together leading representatives from cooperative federations, private dairy companies and technology providers to share their perspectives on growth, innovation, sustainability and global competitiveness in the dairy sector.

Shri Arun Patil, Vice President-IDA chaired the session. Co-chairman of the session was Shri Jayen Mehta, MD, GCMMF Ltd. The panellists were: Shri Jai Kumar Agarwal, MD, Gyan Dairy; Shri Yogesh Godbole, MD, Kolhapur Milk Union; Dr. K. Rathnam, CEO, Milky Mist; Shri Vinay Sareen, CEO, IndiFoss Analytical Pvt. Ltd.; Shri Pawan Marwaha, General Manager, Jharkhand Milk Federation; Shri Rupesh Raj, MD, Vaishal Patliputra Dugdh Utpadak Sahkari Sangh Ltd., Patna.



At the outset, the Moderator **Shri Ashutosh Manohar, Ex-MD, Tetra Pak** set the context by referring to the national vision of achieving 600 million tonnes of milk production by 2047, compared to the current level of about 247.8 million tonnes. This ambitious target, aligned

with the vision of Viksit Bharat, would require significant improvements in productivity, governance, quality and value addition across the dairy value chain. The shift from volume to value, improved product quality and global competitiveness were highlighted as key priorities for the sector.

Growth Strategies across Dairy Organisations

Panellists representing both cooperative and private dairy organisations shared the strategies they are adopting to support the expansion of milk production. Cooperatives stressed the need to improve farmer

incomes, noting that sustainable growth in milk production is possible only if dairy farming remains economically attractive to producers. Initiatives such as farmer incentives, doorstep veterinary services, vaccination drives and support for high-yielding animals were cited as key measures being implemented to strengthen the dairy ecosystem.

Representatives from private dairy emphasised the importance of expanding milk procurement networks, particularly in eastern regions such as Bihar, West Bengal and the Northeast, where many villages are still outside the cooperative system. Increasing milk productivity through breed improvement, better feeding practices and strengthened veterinary services was highlighted as a critical step toward boosting milk output.

Private dairy companies participating in the session highlighted their focus on value-added dairy products, market expansion and technology-driven supply chains. They discussed efforts to enhance dairy cattle productivity and plant efficiency through innovation and digitalisation, enabling real-time quality monitoring and data-driven management of milk procurement and processing.

Ensuring consistent procurement of farmers' milk, provided it meets quality standards, was also emphasised as an important step in strengthening farmer engagement and increasing milk supply. In addition, companies are investing in processing capacity, logistics infrastructure and international market development to generate greater demand for milk.

Strengthening Dairy Exports and Global Competitiveness

Another major theme discussed during the session was the relatively small share of India in the global dairy export market despite being the world's largest milk producer. While global dairy exports are valued at nearly USD 80 billion, India's dairy exports remain comparatively modest.

Panellists acknowledged several challenges affecting export competitiveness, including fragmented production systems, quality compliance issues, cold chain limitations and strict regulatory requirements in international markets. Some panellists report experiences with export

rejections due to microbiological and aflatoxin M1 limits. Participants stressed the need to strengthen traceability systems, cold chain infrastructure, certification mechanisms and quality control to meet global standards.

Some organisations have already begun exporting products such as skimmed milk powder, butter and ghee, while others are exploring opportunities in value-added products such as paneer and UHT milk. The unique advantage of buffalo milk, which accounts for nearly half of India's milk production, was also highlighted as a potential premium product for international markets.

Collaboration between Cooperatives and Private Sector

A key discussion point in the session was the potential for collaboration between cooperatives and private enterprises. Panellists agreed that the two sectors can complement each other in areas such as supply chain optimisation, research and development, policy advocacy, market intelligence and technology adoption.

Examples of collaboration already exist in the industry, including outsourcing surplus milk processing to private plants and third-party manufacturing arrangements for new products. Such partnerships were viewed as practical ways to improve efficiency and accelerate innovation within the dairy sector.

Sustainability and Environmental Responsibility

Sustainability emerged as another important focus area

during the discussion. Several organisations outlined initiatives aimed at reducing the environmental footprint of dairy operations. These include:

- Adoption of solar and renewable energy systems in dairy plants
- Biomass-based boilers and energy-efficient technologies
- Water recycling and reduced water consumption in processing plants
- Installation of biogas units and manure management systems at the farm level
- Programmes to reduce methane emissions through improved feed management

Panellists emphasised that the dairy sector must contribute to India's broader climate commitments while ensuring economic viability for farmers and processors.

Building Farmer Trust and Strengthening the Value Chain

Speakers repeatedly stressed that animal welfare and farmer trust remains the foundation of dairy sector growth. Transparent milk procurement systems, timely payments and farmer-centric services were identified as essential for encouraging farmers to increase milk production.

Panellists also emphasised the importance of digital technologies, including data-driven milk testing, digital traceability and farm advisory platforms, to improve efficiency and transparency across the value chain.

From L to R: Shri Vinay Sareen, CEO, IndiFoss Analytical Pvt. Ltd.; Shri Pawan Marwaha, GM, Jharkhand Milk Federation; Shri Yogesh Godbole, MD, Kolhapur Milk Union; Shri Arun Patil, Vice President-IDA; Dr. K. Rathnam, CEO, Milky Mist; Shri Sudhir Kumar Singh, President-IDA; Shri Jayen Mehta, MD, GCMMF Ltd.; Shri Jai Kumar Agarwal, Managing Director, Gyan Dairy; Shri Rupesh Raj, MD, Vaishal Patliputra Dugdh Utpadak Sahkari Sangh Ltd., Patna; and Shri Ashutosh Manohar, Ex-MD, Tetra Pak.





Co-chairman of the Session **Shri Jayen Mehta, MD, GCMF Ltd.** explained that although India is often criticized globally for methane emissions due to its large cattle population, the dairy sector is transforming this

challenge into an opportunity through a circular economy approach. Dung is being used to produce compressed biogas (CBG) and organic fertilizers, creating environmental benefits while generating additional income for farmers. Large CBG plants in Gujarat process significant quantities of dung, demonstrating that the dairy sector can contribute positively to climate sustainability.

Value addition and energy from dairy by-products

The dairy industry is increasingly utilizing by-products efficiently. Milk is being converted into high-value products such as cheese, whey proteins, and other dairy ingredients, while ethanol is also being produced from whey, reinforcing the industry's role in sustainable resource use.

India's growing global role in milk production

As the world's largest milk producer, India is expected to play a major role in the future dairy economy. Over the next decade, one-third of global milk production may come from India, and nearly two-thirds of the world's incremental milk production is likely to originate from the country. This gives India significant influence in the global dairy market.

Opportunity in shifting from loose to packaged milk

A key growth driver for the industry is the transition from loose milk to packaged and branded products. Even a 5% shift in consumer preference can create enormous market volumes. This transformation, accelerated after COVID-19, offers huge opportunities for dairy companies and cooperatives.

Focus on high-value dairy exports

Shri Mehta emphasized that India should avoid competing mainly in commodity exports like skim milk powder. Instead, the country should focus on value-added dairy proteins and branded products, as global demand for protein is expected to rise sharply.

Export potential for fresh dairy products

India has already begun exporting fresh buffalo and

cow milk to the Middle East, showing that Indian dairy can enter premium markets with high-quality products.

Domestic consumption growth

There remains large untapped potential within India. Products like butter, cheese, and ice cream still have low per-capita consumption compared to global levels, indicating strong scope for industry expansion.

Expansion of cooperative networks

Through initiatives such as White Revolution 2.0, organizations like Gujarat Cooperative Milk Marketing Federation are expanding cooperative societies and farmer participation across many states, bringing millions of additional farmers into the dairy value chain.



Shri Arun Patil, Vice President-IDA and Chairman, CEO Session, recalled the vision of

Vergheese Kurien, who had predicted that India would eventually face a "problem of plenty" once milk production increased significantly. In such a situation, the solution would be to effectively market surplus milk in various value-added

forms, both in domestic and international markets.

To succeed in export markets, Indian dairy products must meet strict international requirements, including sanitary and phytosanitary standards. Countries will only accept products that meet their quality specifications, making quality control the most critical factor for the dairy industry.

He also highlighted that nearly 70% of milk remains in the unorganized sector and is not processed, which limits value addition and export potential. Increasing milk processing capacity, improving infrastructure, and strengthening the cold chain must be the key priorities.

This high processing cost discourages large private investments in dairy processing infrastructure. While cooperatives focus on maximizing returns to farmers, private companies must balance this with returns to shareholders. Despite these challenges, Shri Patil acknowledged that many leading private dairy companies are adopting high quality standards and fair milk procurement practices similar to cooperatives, which is a positive development for the sector.

Conclusion

Industry leaders highlighted the enormous growth potential for India's dairy sector. Rising domestic demand, increasing consumption of value-added dairy products and expanding global protein markets present significant opportunities for the industry.